GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:743
ANSWERED ON:18.07.2002
OIL EQUITY OF ONGC VIDESH
PRAVEEN RASHTRAPAL

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ONGC Videsh have acquired or acquiring oil equity abroad;

(b) if so, details thereof;

(c) whether ONGC Videsh have recently lost out to the Chinese competitor for two hot oil properties, both good producing fields in Oman and Indonesia; and

(d) if so, the reasons therefor and the remedial measures proposed to be taken up to avoid recurrence of such lapses?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINIS PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): ONGC-Videsh Ltd. (OVL), the wholly owned subsidiary of Oil and Natural Gas Corporation Ltd.(ONGC) is engaged i hydrocarbon exploration and production (E&P) activities abroad. At present OVL is participating in the following overseas projects:

(i) Block 06.1 offshore gas project in Vietnam, with 45% participating interest

(ii) Sakhalin-I oil and gas project in Russia, with 20% participating interest.

(iii) Block A-I offshore gas project in Myanmar, with 20% participating interest.

(iv) Exploration Block 8 in Iraq with 100% participating interest.

OVL is also pursuing E&P opportunities in some countries like Sudan, Oman, Libya, Kazakhstan, Indonesia and Venezuela.

(c)&(d) : The 50% participating interest in Block-5 in Oman which was being negotiated by OVL was subsequently awarded to a Chinese company by the owner of the Block.

As regards the Indonesian property, when OVL submitted the offer to purchase the participating interests, the seller informed that they had entered into negotiations with another party on an exclusive basis and that if the negotiations could not be completed within the desired time frame then the seller would commence discussions with OVL.

OVL has been acquiring oil and gas properties abroad on the merits of the assets and after careful evaluation of the worth of the properties. The company has laid down its minimum hurdle rate of return for acquiring such properties. Similarly, international oil companies have their own criteria of evaluation and would be competing on their terms. In such a situation OVL cannot be expected to be the winning bidder on every transaction.